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(e) what is the rent now paid by the Government for the hired building and what rent is got from the Mission authorities for the old Court-house?

A.—The Government have no information. A report has been called for.

Electricity.

Hydro-electric development in this Presidency.

* 397 Q.—Rao Bahadur A. S. KRISHNA RAO PANTULU : Will the hon. the Law Member be pleased—

(a) to place on the table the correspondence that has taken place in regard to hydro-electric development in this Presidency; and

(b) to state why he has not yet furnished Members of the Legislative Council with necessary papers and a memorandum, relating to hydro-electric policy and development, as promised by him at the meeting of the Council held on 21st March 1925?

A.—(a) The Government cannot undertake to place the correspondence on the table.

(b) The matter has not yet reached the stage when a memorandum indicating the policy which the Government propose to adopt can be presented to the House—but the Government hope that such a stage will have been reached by the next meeting of the Council. They have placed on the table for the information of Members the report written by Mr. Forbes on the various schemes that have been suggested for the development of power in the Presidency.

Formation of syndicate for hydro-electric development of this province.

* 398 Q.—Rao Bahadur A. S. KRISHNA RAO PANTULU : Will the hon. the Law Member be pleased to state—

(a) whether the attention of the Government has been drawn to a communication in the public press that a retired official of the Madras Civil Service was occupying a portion of the office of the Secretary of State for India and that he was organizing or carrying on negotiations for the formation of a syndicate or company for hydro-electric development in this province, and whether the facts contained in that communication are true;

(b) if so, whether that official has been doing so under instructions from the Local Government; and

(c) if so, what instructions were given to him by the Government and when?

A.—The hon. Member is referred to the answer to question No. 137.

Hydro-electric schemes.

* 399 Q.—Mr. C. V. VENKATARAMANA AYYANGAR : With reference to the announcement made by him at Mettur regarding the future development of hydro-electric schemes in this Presidency, will the hon. the Law Member be pleased—

(i) to lay on the table of the House a detailed report about the schemes to be taken up and the order in which they are likely to be taken up together with the estimated cost and the expected profits from each scheme;

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(ii) to state—

(a) whether the installations are to be erected by the Government or any company and if the latter under what conditions; whether they are to be owned by the Government or by any company or companies;

(b) whether the distribution of power is to be made by Government or by any other agency; if the latter, whether the right of distributing power under all schemes is to be given to the same company or whether it is to be given to different companies;

(c) if the installations are to be made by the Government, whether the loan is to be borrowed directly by this Government or through the Government of India; whether there is any intention of borrowing in England or any other place outside India;

(d) whether any person has been appointed as its agent or otherwise by the Government in England in connexion with any of the questions connected with hydro-electric schemes; if so who is he and what are the conditions under which he has been appointed;

(e) whether it is a fact that an office has been opened in England on behalf of this Government in connexion with hydro-electric schemes; if so, what is the monthly cost of the establishments, etc., and under what budget heading it comes; and

(f) whether it is a fact that Sir Arthur Knapp has kindly offered his services to the Government or that his services have been accepted in connexion with all or some of these schemes and if so on what conditions and for what period?

4.—(i) The Report of Mr. Forbes has been laid on the table. It is not possible at present to furnish the House with a more detailed report or to say in which order the various schemes that have been proposed will be taken up. Probably the Pykara scheme will be the first;

(ii) (a) If by "installations" the hon. Member means power stations and connected works, the present intention is that they should be constructed by Government and owned by Government. But it may be found advisable to form a company under the control of Government in order to be able to take advantage of the Trade Facilities Act. It is proposed to place the contract for the installation of hydraulic and electric plant with the Power Securities Corporation in England.

(b) If by "distribution" the hon. Member refers to the supply of power from generating stations to distributing stations the intention is that this should be done by the Agency which owns the power stations.

(c) It is not possible to say.

(d) Sir Arthur Knapp was deputed to act for the Government in connexion with negotiations for the purchase of the concession which was given to a Syndicate for the development of the hydro-electric scheme at Pykara. Sir Arthur Knapp's deputation ceased last month; and the negotiations have since been completed.

(e) The answer is in the negative.

(f) See answer to clause (e).

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Mr. C. V. VENKATARAMANA AYYANGAR :—“ Do the Government say that in this case they are not going to call for any tenders ? ”

The hon. Sir C. P. RAMASWAMI AYYAR :—“ It is not a question of tenders. There will take place a scrutiny of the various market prices, and having regard to the special facilities which the Power Securities Corporation have, we propose that, if after satisfying themselves about the prices quoted by various concerns, the Government find that the prices put forward by the Power Securities Corporation are at least as advantageous, as any others, then they will accept these prices.”

Mr. C. V. VENKATARAMANA AYYANGAR :—“ No reference to condition or anything like it has been made. May I know ‘ that it is proposed to place the contract for the installation of the Hydraulic and Electric Plant with the Power Securities Corporation in England ’ irrespective of prices, irrespective of tenders or anything ? May I know whether that answer is qualified at all ? ”

The hon. Sir C. P. RAMASWAMI AYYAR :—“ It is not qualified at all. It is impossible to give all the conditions that hon. Members will like to know. No Government will accept any offer or contract irrespective of prices.”

Mr. C. V. VENKATARAMANA AYYANGAR :—“ I did not exactly think so. But I was reminded of the Coimbatore Water-supply scheme where there was something bad in respect of contract and other things. I know the hon. Law Member's department will not do such things ? ”

The hon. Sir C. P. RAMASWAMI AYYAR :—“ I may say at once that it was through the good offices of the Power Security Corporation that we were able after great difficulty to get back the concession that has been granted. The Power Security Corporation has got a double advantage which no other firm has got. It consists of rich financiers as well as leading electrical engineers and we propose to place the contract with them subject to their prices being equal to the prices of other concerns, and in this matter we shall be represented by the High Commissioner and his staff. They will scrutinize their prices and when we arrive at the final stages of any contract the whole question of the details of contract and the prices which have been agreed to by the Power Supply Corporation—all these matters will be placed before this Council. I do not believe in giving any contracts to anybody unless we can make something good out of it. It does not matter who is to be given the contracts, but what we want is to make the best use of the biggest facilities that exist in all parts of the world.”

Mr. C. V. VENKATARAMANA AYYANGAR :—“ We know something of the companies also. There are various companies in Europe who may be given the contracts, but if the companies in America or Germany offer more favourable terms, we think that they may be considered. So having received that answer from the hon. the Law Member, may we know something about the companies ? ”

The hon. Sir C. P. RAMASWAMI AYYAR :—“ I may say at once, Sir, that if we are able to get equal rates from British firms and American firms, this Government is inclined to favour British firms in preference to

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American or other firms, that is, all other conditions being equal. That is our policy. Therefore we shall scrutinize this matter from that point of view."

Mr. C. V. VENKATARAMANA AYYANGAR:—"With reference to (d), now that a reference has been made to the purchase of this concession and all that, may we know whether Sir Arthur Knapp was pleased to give his services gratis or, has the Government to pay some amount which will go towards the purchase of this concession right?"

The hon. Sir C. P. RAMASWAMI AYYAR:—"He was placed on special duty for a month, and he got, I think, the difference between Rs. 4,000 and Rs. 5,333-5-4, that is, Rs. 1,333-5-4. He was not given any other function, and he had absolutely nothing else to do in this matter. He drew the difference between his leave-salary which was about Rs. 4,000 and his salary as Member of the Council which was Rs. 5,333-5-4, which came to Rs. 1,333-5-4, and that is all the advantage which Sir Arthur Knapp derived. There was nothing else. He was put on special duty for a month; it is over and he has done his work."

Mr. C. V. VENKATARAMANA AYYANGAR:—"As regards the concession got through the services of Sir Arthur Knapp, may we know exactly how much money was spent by the company and how much has been paid by the Government so that we may see whether the concession is really worth having?"

The hon. Sir C. P. RAMASWAMI AYYAR:—"These details, Sir, will be placed on the table of the House in connexion with the purchase of those concessions."

Mr. A. RAMASWAMI MUDALIYAR:—"May I ask a question, Sir, in connexion with the calling of tenders and other things? I can assure the hon. the Law Member that the whole Council is with him in the policy which he has stated, i.e., that other things being equal and the prices being the same, one would prefer British material to American or German. We are not of those who would boycott British machinery, and I am sure that it is also equally the policy of the Members of this Council. What I want to ask is this, whether the Local Government is going into the question of prices and calling for tenders from all over the world, from Germany, America and other countries, or whether they are going entirely to leave it to the discretion of the High Commissioner, whether they will be satisfied that the High Commissioner will call for tenders from all parts of the world and that the discretion of the High Commissioner and the members of his staff is above question? Or does the hon. Member think that the Government should have some discretion themselves either directly or indirectly in the matter either by calling for tenders themselves or by asking the High Commissioner to call for tenders leaving the choice finally to themselves?"

The hon. Sir C. P. RAMASWAMI AYYAR:—"Speaking for myself, I do not propose to delegate my discretion to anybody else in the world. The High Commissioner, if he acts, will act as the Agent of the Local Government."

Mr. C. RAMALINGA REDDI:—"As their Agent for the calling of tenders?"

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The hon. Sir C. P. RAMASWAMI AYYAR :—"Agent for getting some information or for conducting such negotiations as he may be asked to conduct with the consent of the Local Government and the Government of India."

Mr. SAMI VENKATACHALAM CHETTI :—"May I know what are the instructions given to the High Commissioner? Do they empower him to call for tenders on behalf of the Local Government or will the High Commissioner be given power to accept the tenders?"

The hon. Sir C. P. RAMASWAMI AYYAR :—"As I said, this Government will not delegate its discretion to anybody else. This Government will exercise its discretion in the final choice. The High Commissioner will only be an advisory authority and his functions will be to recommend."

Mr. C. RAMALINGA REDDI :—"Will the hon. Member say whether he will, if possible, find out by which firms the big hydro-electric schemes now operating in India are being worked?"

The hon. Sir C. P. RAMASWAMI AYYAR :—"That information, to a large extent, is at our disposal."

Mr. SAMI VENKATACHALAM CHETTI :—"In the course of the answer, the statement was made that Sir Arthur Knapp was paid the difference between his full salary and leave salary now due to him. How does the hon. Member account for this answer, when in a previous answer a statement was made that no Civilian officer of the Madras Government was deputed for any work in regard to the hydro-electric schemes?"

The hon. Sir C. P. RAMASWAMI AYYAR :—"The question was whether any Civilian officer of this Government was deputed to constitute a hydro-electric syndicate to tap the resources in this Presidency. Sir Arthur Knapp had no mandate or authority to constitute such a syndicate or company or enter into any such negotiations. He was only asked to bring to a successful conclusion a particular contract, namely, to purchase the concession so as to make it available to the Government and so that it may become Government property."

Mr. SAMI VENKATACHALAM CHETTI :—"This latter explanation was not attached to the original statement that was made, Sir."

Mr. A. RAMASWAMI MUDALIYAR :—"May I ask the hon. the Law Member in view of the supplementary answer that he has given, namely, that he reserves to himself complete control and discretion to accept any tender from any country whatsoever, America or Germany, etc., whether he has contemplated the possibilities of the Trade Facilities Act being applied, as he has made no reference to such a contingency?"

The hon. Sir C. P. RAMASWAMI AYYAR :—"If we find that we cannot get the funds unless by the utilization of the Trade Facilities Act, necessarily we have to confine our operations to British firms. I hope, Mr. Deputy President, that you will permit me to say a few words on this subject as this has attracted much attention. My policy and the policy of the Madras Government has been this. If we can raise money here in Madras—I mean this Rs. 2 crores or Rs. 3 crores whatever it may be—we shall do so, and that is the first alternative. If the Government of India will give us the money, that is the next alternative; if

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the Government of India will place at our disposal other moneys that may be available to them, that is the third alternative. If we are not able, within a measurable period of time, either locally or from the Government of India or from other sources at the entire or partial command of the Government of India to get the requisite funds, it may be that we will be driven to utilize the Trade Facilities Act. If we utilize the provisions of this Trade Facilities Act, the schemes will be worked by a company started and controlled by and under the direction of this Government; and in doing so, we shall, under the provisions of the Trade Facilities Act and necessarily in order to get the guarantees prescribed by that Act, have to give the contracts to British firms for the purpose of relieving unemployment in Britain. That is the language of the Trade Facilities Act and the rules framed thereunder."

MR. A. RAMASWAMI MUDALIYAR :—" I want one further elucidation from the hon. the Law Member. Does he think that the question of finance is a more important question or the question of getting the best material from the cheapest market? By which of these is he going to be guided? Does it mean this; that if we are not going to raise the money, we have to take advantage of the Trade Facilities Act and it does not matter whatever the cost may be that we have to pay it? If this is going to be the consideration by which we are to be guided, I must say that we should have the material from the cheapest market; if we cannot have it like that, let us postpone it for future years and better times when things may change for the better and the country is more prosperous."

The hon. Sir C. P. RAMASWAMI AYYAR :—" Speaking for myself—I cannot bind my hon. Colleagues—the object of the Government is, consistently with their financial interests, to see this scheme through at the earliest possible opportunity and as soon as possible."

MR. C. RAMALINGA REDDI :—" May I ask my hon. Friend, if he is going to push through the scheme at the earliest possible opportunity, what alternative for raising money will he consider necessary to be adopted in order to make it a success, whether the alternative of raising the money through the agency of the Local Government or the Government of India or by means of funds at the disposal of the Government of India, and also when he wants to push through the scheme? "

The hon. Sir C. P. RAMASWAMI AYYAR :—" It is impossible to give any period of time. But everything depends upon the response which is made, firstly locally, secondly by the Government of India and thirdly by the other agencies."

MR. C. V. VENKATARAMANA AYYANGAR :—" May I know whether any attempt is made at present to tap the Imperial Bank or any other local banks? "

The hon. Sir C. P. RAMASWAMI AYYAR :—" Obviously this is a branch of argument which I trust hon. Members will not pursue, because when it is known what we are doing, the purpose of our actions will be defeated."

The hon. the DEPUTY PRESIDENT :—" It is now ten minutes past twelve and the other questions will be postponed to to-morrow."

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[*Note*—An asterisk (*) at the commencement of a speech indicates revision by the Member.]

* Mr. T. ADINARAYANA CHETTIYAR :—“ In view of the fact that we had only half an hour yesterday for starred questions, may I request you to extend the time by another half hour to-day ? ”

The hon. the DEPUTY PRESIDENT :—“ I do not think I should do it. We have got many resolutions on the agenda to-day.”

* Mr. C. V. VENKATARAMANA AYYANGAR :—“ Sir, since it is usual that after question time we can ask for general information, may I ask whether the Council will close to-morrow evening or whether it will continue day after to-morrow ? ”

* The hon. Sir C. P. RAMASWAMI AYYAR :—“ Everything depends on the promptness of this hon. House. Beyond the supplementary demands and the Village Officers Bill there is no other business, and I am told there is also the postponed discussion regarding the Cotton Rules.”

* Mr. C. V. VENKATARAMANA AYYANGAR :—“ Therefore I want to know whether all those supplementary demands are so urgent that they should be finished in this meeting. Or supposing that the Village Officers Bill may take some time, the supplementary demands may be postponed to some other day. We have to make arrangements beforehand, especially the Members coming from mufassal, regarding reservation of seats and so on. We therefore want to know definitely whether the Council will be adjourned to-morrow or not.”

* The hon. Sir C. P. RAMASWAMI AYYAR :—“ It is impossible for me to say anything definitely now. I think it is more easy for my hon. Friend to answer the question if he can ascertain from his hon. Colleagues as to what time the discussion is likely to take.”

* Mr. C. V. VENKATARAMANA AYYANGAR :—“ That means that the hon. Members on the first bench are not at all taking much time in talking.”

* The hon. Sir C. P. RAMASWAMI AYYAR :—“ The hon. Members of the first bench are limited in number in comparison (laughter) with those on the other benches.”

The hon. the DEPUTY PRESIDENT :—“ I am afraid it will be hard on the village officers to ask that the Village Officers Bill should be postponed.”
(Cries of ‘ No. no ’)

* Mr. C. V. VENKATARAMANA AYYANGAR :—“ The Village Officers Bill may probably take some time and I said that the supplementary demands might be postponed. I did not say that the Bill should be postponed.”

III

MOTIONS ON MATTERS OF GENERAL PUBLIC INTEREST.

SCHEME FOR COLONIZING THE ANDAMANS WITH MAPPILLAS—*cont.*

* Diwan Bahadur M. KRISHNAN NAYAR :—“ Sir, I believe it is possible and it is also desirable to discuss this resolution without importing into it any of the incidents connected with the recent Mappilla rebellion. One of my hon. Friends who preceded me referred to certain incidents in connexion with this rebellion and said that the ancient Nayars were courageous men and the present Nayars were cowards. My Friend may be right or he may be